

Planning an Audit During COVID-19

In light of the current environment, audit teams may need to become more agile. Teams that can create and document custom audit programs from scratch — without relying on templated audit programs — are better equipped to perform audits over areas not routinely audited.

This maximizes internal audit's ability to make recommendations that will have a strong impact on recovery and create positive change in the organization, leading to further potential benefits. The following is a step-by-step checklist for planning an audit in light of the 2020 pandemic.

1 Initial Audit Planning

The following questions should be answered before fieldwork begins:

- Why was the project approved to be on the original audit plan? Has that rationale changed in light of recent events?
- Has the process undergone significant changes based on response to COVID-19?
- How does the process support the organization in achieving its goals and objectives?
- What risk(s) does the audit address? Is that risk still relevant?
- Was this process audited in the past, and if so, what were the results of the previous audit(s)?

2 Risk and Process Subject Matter Expertise

Evaluate the design of the process audited using at least one of:

- Industry-specific thought leadership, such as roundtables and whitepapers, regarding pandemic response, including treatment of specific accounts.
- Subject Matter Expert (SME) from a Big 4 or other consulting firm.
- Recent articles from [WSJ.com](https://www.wsj.com), [HBR.org](https://hbr.org), or other leading business periodicals.
- Relevant blog posts from [The Protiviti View](#), [AuditBoard's Blog](#), or the [IIA's blogs](#).

3 Initial Document Request List

- All policies, procedure documents, and organization charts, highlighting any key changes made in response to the pandemic.
- Key reports used to manage the effectiveness, efficiency, and process success, and any impacts that working remotely has had on those items.
- Description and inventory of master data for the processes being audited, including all data fields and attributes.
- Access to key applications used in the process, and assessment of whether the applications were used remotely.

4 Preparing for a Planning Meeting

The following steps should be performed to prepare for a planning meeting with business stakeholders:

- Understand which areas are predicted to be impacted by COVID-19 to drive an informed discussion with business owners.
- Outline (by narrative, flowchart, or both) key process steps, highlighting information inflows, outflows, and internal control components.
- Validate draft narratives and flowcharts with subject matter experts (if any).
- Create an initial pre-planning questionnaire to facilitate a pre-planning meeting with key audit customers, including questions regarding the impact of COVID-19 to the business.

5 Preparing the Audit Program

An audit program should detail the following information:

- Process Objectives
- Process Risks

5 Continued

- Controls Mitigating Process Risks
- Control Attributes, including:
 - Is the control preventing or detecting a risk event?
 - Control frequency (e.g. daily, weekly, monthly, quarterly, etc.)
 - Does the control mitigate a fraud risk?
 - Is the control manually performed, performed by an application, or both?
 - An initial assessment of the risk event (e.g. high, medium, or low)
- Testing Procedures for Controls to be Tested During the Audit, including:
 - Inquiry, or asking how the control is performed
 - Observation, or physically seeing the control be performed
 - Inspection, or reviewing documentation evidencing the control was performed
 - Re-performance, or independently performing the control to validate outcomes
 - Consider alternative procedures in light of the current year's restrictions, including:
 - The ability to inspect, observe, or re-perform certain control activity.

6 Audit Program and Planning Review

- Internal Audit Manager or Senior Manager
- Chief Audit Executive
- Subject Matter Expert
- Management's Main Point of Contact for the Audit (i.e. Audit Customer)